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Transmittal Letter to the Speaker
and Members of the 58th Legislature

Resolution Creating the House Committee on Saving Taxes


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Mr. Speaker
and
Members of the House of Representatives
of the
58th Legislature of the State of Texas


In accordance with H. S. R. No. 140, passed by the 57th
Legislature, the House Committee on Saving Taxes, created
thereby, herewith reports to the House of Representatives of
the 58th Legislature its recommendations pursuant to its inves-
tigations into the operations of State Departments and Agencies
to determine ways and means of reducing costs and eliminating
waste and extravagances in Texas State Government operations.

Respectfully submitted,



George Preston, Chairman


Maco Stewart, Jr., Vice-Chairman


J. W. Buchanan


Jake Johnson


Raul L. Longoria


Olen R. Petty


Vernon Stewart

RESOLUTION

RESOLUTION

WHEREAS, The cost of government for the State of Texas has risen seven hundred and forty per cent in the last fifteen years; and

WHEREAS, All costs of government in this State are paid by the people of this State through taxation; and

WHEREAS, It has become clearly apparent to the House of Representatives and to the citizenry of this State that there exists opportunities for reduction in cost of government by the elimination of duplicate services and extravagant expenditures; and

WHEREAS, Pursuant to House Simple Resolution No. 152 of the First Called Session of the Fifty-sixth Legislature an interim committee was appointed to make a study of the cost of government and ways and means of reducing costs and eliminating waste and extravagances; and

WHEREAS, The report of this Committee to the Fifty-seventh Legislature clearly points out the effectiveness and necessity of a continuation of this interim committee; now, therefore, be it

RESOLVED by the House of Representatives of the Fifty-seventh Legislature, First Called Session, That a Committee of seven (7) Members of the House be, and the same is hereby, authorized to be appointed by the Speaker of the House to be known as the Committee on Saving Taxes, which Committee shall begin functioning upon its appointment and shall continue until the convening of the Fifty-eighth Legislature; and, be it further

RESOLVED, That this Committee shall have the duty of determining any and all ways and means of reducing costs and eliminating waste and extravagances in Texas State Government operations, and determining plans of operation for the various State departments, agencies and institutions whereby State services may be most economically and efficiently rendered to the people of this State; and reporting on these and other matters relative to reducing expenses of State Government to the House of Representatives before the convening of the next Regular Session of the Legislature; and, be it further

RESOLVED, That said Committee shall have, and is hereby given, the power to compel the attendance of witnesses, administer oaths, and compel the presentation before it of any and all records of State departments, agencies and institutions under investigation which it may deem necessary; and, be it further

RESOLVED, That said Committee shall have the power to employ stenographic, clerical and professional assistance and the assistance of the Texas Legislative Council, and the Legislative Budget Board, and to defray the cost of telephone, telegraph and supplies as needed in its work; and, be it further

RESOLVED, That the Committee hereby created shall in all manner cooperate with the Senate Cost of Government Investigating Committee; and, be it further

RESOLVED, That Members of the Committee shall be reimbursed only for their actual travel and other expenses incurred in attending meetings of the Committee, which may be held at such times and places as it may determine; and, that the Committee may resolve itself into Sub-committees for the purpose of carrying out its duties.

REPORT
AND
RECOMMENDATIONS

EDUCATION

The Committee on Saving Taxes recommends the following:

1.

The consolidation of small high schools in the State with an attempt to group schools into districts that would have a minimum of 500 children, with consideration being given to sparsity of population, as presently provided in the Foundation Act Program. This recommendation would effect a saving of approximately \$4, 000, 000 per annum.

The possible area grouping of county school superintendents, including ex officio county superintendents. This could be accomplished by the setting up of intermediate units similar to the county superintendents by the reorganization of local districts into large enough units for them to handle their own affairs. This recommendation would effect a saving of approximately \$2, 600, 000 per annum.

The above recommendations would represent a total saving of \$600, 600,- 000 per year to the State and this subcommittee recommends the appointment by the Speaker of the House of the 58th Legislature of an interim committee to make a more comprehensive study and analysis of this subject and the laws relating thereto. (See attached resolution for introduction.)

2.

Give serious consideration to the adoption of a merit salary plan for the public school teachers of this State. The present minimum salary would be retained and all future changes would be based on the cost of living index. This

subcommittee recommends the appointment by the Speaker of the House of the 58th Legislature of an interim committee to make a more comprehensive study and analysis of this subject. (See attached resolution for introduction.)

3.

The re-allocation of revenues from the State Available School Fund to the Foundation School Fund. This re-allocation would effect a saving of over one-half million dollars for the State. This change would only affect "budget balance" school districts that do not get any Foundation money and so far as can be ascertained these particular districts would not be dissatisfied with the change. (See attached copy of the bill for introduction necessary for this change.)

4.

The enactment of legislation changing the definition of the word "scholastic" to mean "average daily attendance" as the basis for the formula to determine the amount of money each district receives from the Available School Fund, and providing for a school census each five years in lieu of the present annual census. At the present time allocations from the Available School Fund, a constitutional fund, are set on the number of scholastics living in the district and defines a scholastic to be a child between the ages of six and seventeen, inclusive, residing in a school district. The present law also provides that the apportionment of the Available School Fund shall be made annually according to the scholastic population of each county in the State. A school census every five years to conform to the Federal School

Census would effect a saving of approximately one-half million dollars for the State of Texas as the processing of these reports in the Texas Education Agency is a very expensive operation. The local school districts would also realize a considerable saving of money by this change. (See attached copy of bill for introduction necessary for this change.)

5.

A. That the Texas Commission on Higher Education:

1. Make an objective and factual study of the future need for additional fully State-supported senior colleges and universities, and
2. Develop criteria by which the proposed creation of new State institutions--or admission of presently existing non-State institutions to fully State-supported status--may be evaluated, taking into consideration such factors as:
 - a. Geographical distribution or concentration of population;
 - b. Accessibility of citizens to present institutions;
 - c. The number of institutions necessary to meet the needs of the people as of a given time and a given population size;
 - d. The need to avoid duplication of educational effort among institutions; and
 - e. The need to preserve the present dual system of public and private higher education,

to the end that future recommendations of the Commission as to creation, or addition to State status, of new institutions shall be based on such objective and factual evaluations and on no other considerations.

B. That Public Junior Colleges concentrate on being, or becoming, good community colleges offering:

1. Quality instruction to students who will transfer to upper levels of senior institutions to complete professional or academic degree programs;
2. Terminal programs for students choosing academic training or less-than-degree level;
3. Training in non-academic technical fields of those whose ambitions and capabilities lead them to these fields; and
4. Other services to meet the needs of the area served by each college, rather than attempting to gain status as senior institutions with resulting dilution of resources in more costly program offerings.

C. That a realistic appraisal be made of the local funds ("Other Educational and General Funds") of State colleges and universities, with the objective of fully utilizing these funds in making appropriations, thus relieving the General Revenue Fund of some pressure, but without unduly penalizing those institutions which have, through prudent management and conservative operation, accumulated necessary reserves to meet unforeseen emergencies and fluctuations in enrollments.

D. That an interim committee be appointed by the Speaker of the House of the 58th Legislature to make a more comprehensive study and analysis of this subject. (See attached resolution for introduction.)

H. S. R. No. _____

By _____

HOUSE SIMPLE RESOLUTION

WHEREAS, The cost of State Government services and programs has risen in tremendous proportions during the past several years; and

WHEREAS, There is a dire need for the exercising of every possible economy in the operation of our State Government; and

WHEREAS, The cost of Education to the State represents approximately forty-five and four-tenths per cent (45.4%) of the State tax dollar; and

WHEREAS, An Interim Committee on Saving Taxes was appointed during the 57th Legislature and has submitted a report to the 58th Legislature with certain recommendations to effect economy in the operation of our State Government; and

WHEREAS, This Committee recommended the consolidation of small high schools in the State and the possible area grouping of county school superintendents of the State; and

WHEREAS, These two recommendations alone would effect a saving of approximately Six Million, Six Hundred Thousand Dollars (\$6,600,000) per annum; and

WHEREAS, It is the desire of this Legislature that a more comprehensive study and analysis be made of the above recommendations and the laws relating thereto; now, therefore, be it

RESOLVED by the House of Representatives of the 58th Legislature of the State of Texas, That the Speaker of the House be authorized to appoint an interim committee of five (5) members to make a study of the above recommendations and that said committee report its findings and recommendations to the Regular Session of the 59th Legislature; and, be it further

RESOLVED, That the Speaker shall designate the chairman of said committee.

H. S. R. No. _____

By _____

HOUSE SIMPLE RESOLUTION

WHEREAS, Considerable attention has been focused on the need for employing the best teachers possible in the public schools of Texas and at the same time retaining the services of those dedicated and capable teachers presently teaching in our schools; and

WHEREAS, Leading educators throughout the nation have discussed for some time the subject of a merit salary plan for public school teachers; and

WHEREAS, An Interim Committee on Saving Taxes was appointed during the 57th Legislature and has submitted a report to the 58th Legislature with the recommendation that serious consideration be given to the adoption of a merit salary plan for public school teachers in Texas; and

WHEREAS, The Committee further recommended that a special committee be appointed to make a comprehensive study and analysis on this subject; now, therefore, be it

RESOLVED by the House of Representatives of the 58th Legislature, That the Speaker of the House be authorized to appoint an interim committee of five (5) members to make a study of a merit salary plan for the public school teachers of Texas with a view to improvement of the public schools of Texas; and, be it further

RESOLVED, That the Speaker shall name the chairman of said committee and that the committee be instructed to report its findings, together with such recommendations as it deems desirable, to the Regular Session of the 59th Legislature.

H. B. No. _____

By _____

A BILL
To Be Entitled

AN ACT directing the Comptroller of Public Accounts to allocate to the Minimum Foundation School Fund all funds heretofore allocated to the Available School Fund, with certain exceptions; repealing laws in conflict; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. From and after the effective date of this Act, the Comptroller of Public Accounts is directed to allocate to the Minimum Foundation School Fund all funds heretofore allocated to the Available School Fund, except those funds which are allocated by the Constitution to the Available School Fund.

Sec. 2. All laws or parts of laws in conflict with the provisions of this Act are hereby repealed to the extent of such conflict.

Sec. 3. The need for re-allocating to the Minimum Foundation School Fund those funds presently allocated to the Available School Fund by statutory provision creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and the same is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

H. B. No. _____

By _____

A BILL
To Be Entitled

AN ACT to amend Article 2823, Revised Civil Statutes, 1925, defining "scholastic population" for its purpose and other laws pertaining to apportionment of the State Available School Fund; providing thereby for the annual apportionment, distribution and transfers of such Fund, beginning in 1964, on an average daily attendance determination or basis; amending Articles 2816 and 2819, Revised Civil Statutes of 1925, as amended, and repealing Sections 2, 4, and 8 of House Bill No. 303, Chapter 338, Acts, 53rd Legislature, Regular Session, 1953 (codified as Articles 2816a, 2817a and 2822a, respectively, in Vernon's Annotated Civil Statutes) to provide for a scholastic census each five (5) years in lieu of an annual census, heretofore required for State Available Fund distribution on a basis other than herein provided, thereby to correlate companionate statutes; to provide for certain changes with respect to the form and content of census blanks, rolls, and abstracts and the procedures applicable thereto; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article 2823, Revised Civil Statutes, 1925, be amended to read hereafter as follows:

"Section 1. What shall constitute school fund. Besides other available school funds provided by law, one-fourth (1/4) of all occupation taxes and one dollar (\$1) poll tax levied and collected for the use of public free schools, exclusive of the delinquencies and cost of collections; the interest arising from any bonds or funds belonging to the permanent school fund, and all the interest derivable from the proceeds of the sale of land heretofore set apart for the permanent school fund which may come into the State Treasury; all moneys arising from the lease of school lands, and such an amount of State tax not to

exceed thirty-five cents (35¢) on the one hundred dollars (\$100) valuation of property, as may be from time to time levied by the Legislature, shall constitute the Available School Fund, which fund shall be apportioned annually to the several counties of this State, according to the scholastic population of each, for the support and maintenance of the public free schools.

"Section 2. Scholastic population defined. The term 'scholastic population' as appearing in Section 1 of this Act and when and wherever found in the several laws governing the apportionment, distribution and transfers of the State Available School Fund is hereby defined to mean and include all pupils within scholastic age enrolled in average daily attendance the next preceding scholastic year in the public elementary and high schools of school districts wholly within or under the jurisdiction of a county of this State."

Sec. 2. The basis provided herein for the apportionment, distribution and transfers of the State Available School Fund shall be applicable beginning with the Fund to be apportioned in 1964 and thereafter.

Sec. 3. That Article 2816, Revised Civil Statutes of 1925, as amended by House Bill 303, Chapter 338, Acts of the 53rd Legislature, Regular Session, 1953, be amended to read hereafter as follows:

"Article 2816.

"The scholastic census shall be taken each five (5) years beginning in 1965. The county superintendent and the board of trustees of the independent school districts of this State, on the first day of each November in the year immediately preceding the year in which the census is to be taken or as soon as practicable thereafter shall appoint one of the trustees of each school

district, or some other qualified person, to take the scholastic census, who shall be known as the census trustee of the district. The census trustee, between the first day of January and the first day of February after his appointment, shall take a census of all children that will be over six (6) and under eighteen (18) years of age on the first day of the following September, and who are residents of the school district on said first day of February. In taking the said census he shall visit or cause to be visited by enumerators instructed, each home, residence, habitation and place of abode, and shall by actual observation and interrogation, enumerate the children thereof in the following manner: He shall use for each parent, or guardian or person having control of any such children, a prescribed form prepared and provided for such, and other informational purposes as may be determined by the rules and regulations of the Texas Central Education Agency. The census trustee or enumerator shall require such forms to be subscribed and sworn to on the date of enumeration by the person rendering the children, and are authorized to administer oaths for this purpose. When the census trustee or enumerator upon making such visit fails to find either the parent, guardian or any person having legal control, he shall leave the prescribed census blank or form for the use of such parents at such home or place of abode, with a note to the parent or guardian or other person having legal control of such child or children, requiring that the form be filled out, signed and sworn to, and that the blank, when so filled out, shall be delivered by the parent or person having legal control of the child or children to the census trustee or enumerator."

Sec. 4. That Article 2819, Revised Civil Statutes of 1925, as amended by House Bill 303, Chapter 338, Acts of the 53rd Legislature, Regular Session,

1953, be amended to read hereafter as follows:

"Article 2819.

"The rolls and summaries of the census trustee shall be preserved by the county superintendent in his office for five (5) years after they are filed. The county superintendent shall make, on forms prescribed and furnished by the Texas Central Education Agency, separate consolidated rolls for the white and colored children of his county. In making these consolidated rolls, he shall scrutinize carefully the work of the census trustees and shall have the power to summon witnesses, take affidavits and correct any errors he may find in any census trustee's roll, and he shall carefully exclude all duplicate names. If he deems it necessary, he may reject any roll, and appoint another census trustee to take the census of the district, in which case he will not approve the warrant to pay the census trustee whose work has been rejected. When the county superintendent has prepared his consolidated census rolls, one for each race, he shall make a duplicate of each, and he shall make affidavit to the correctness of both originals and duplicates. The originals he shall, on or before May first, file with the county clerk to become a permanent record of such office and retain the duplicates thereof. He shall prepare and file together with said consolidated originals an abstract copy, under oath, on a form prescribed and provided by the Central Education Agency, showing such data, statistical and informational, concerning the census taken as may be requested by the Agency. He shall, on or before May first, forward to the State Commissioner of Education the original of the abstract, under oath. In making his consolidated rolls and in investigating the work of any census

trustee, the county superintendent shall refer to the forms and rolls of previous years, when necessary, and they shall be carefully preserved for such purpose."

Sec. 5. Sections 2, 4 and 8 of House Bill 303, Chapter 338, Acts of the 53rd Legislature, Regular Session, 1953 (codified in Vernon's Annotated Civil Statutes as Articles 2816a, 2817a, and 2822a, respectively), are hereby repealed.

Sec. 6. The fact that the present apportionment of the State Available School Fund is based on the annual census enumeration of scholastic age children regardless of whether or not they attend school and is at variance with the working and spirit of our Constitution which sought to reward diligence in educating "scholastics" in our counties and the fact that apportionment thereof on the basis of an annual census enumeration places a premium on diligence in counting and negligence in educating its children of scholastic age, and the further fact that an annual scholastic census and the expenditure of costs and effort incident thereto will become unnecessary if Article 2823 is amended as proposed herein create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and said Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

H. S. R. No. _____

By: _____

HOUSE SIMPLE RESOLUTION

WHEREAS, An interim Committee on Saving Taxes appointed during the 57th Legislature has submitted a report to this the 58th Legislature; and

WHEREAS, This Committee reached certain conclusions concerning higher education, including Public Junior Colleges; and

WHEREAS, Said conclusions point to the need for more factual and objective recommendations by the Texas Commission on Higher Education concerning admission of new institutions to the State System of Higher Education; and

WHEREAS, Said conclusions point also to the need for concentration by Public Junior Colleges on attainment of their true objectives as effective community colleges, rather than seeking status as senior institutions; and

WHEREAS, This Legislature is vitally concerned with providing the very best universities and colleges for Texas; now, therefore, be it

RESOLVED by the House of Representatives of the 58th Legislature, That the Speaker of the House be authorized to appoint an interim committee of five (5) members to make a study of the above recommendations and that said committee report its findings and recommendations to the Regular Session of the 59th Legislature; and, be it further

RESOLVED, That the Speaker shall designate the Chairman of said Committee.

EFFICIENCY EXPERT

This Committee on Saving Taxes recommends to the 58th Legislature that a study and investigation be conducted for the purpose of employing an Efficiency Expert who shall examine thoroughly all departments of the State Government with special regard to their activities and the duplication of efforts between departments and the quality of service being rendered by subordinate employees in each of the several departments. The Efficiency Expert or his designee may enter any property of any department, board, institution or agency of the State and may examine any of its property and any of its books, papers, plans and records, investigate its service, the effectiveness of its policies, management, internal organization and operating procedure and the character, amount, quality and cost of the service rendered; may recommend to any such department, institution or agency, and assist it to effect, improvements in organization, management, methods and procedure and report his findings and recommendations to the proper authority. Each officer and employee of any such department, institution, board or other agency shall assist the Efficiency Expert or his designees in carrying out the above provisions. These provisions shall not apply to the medical records of State employees unless the employee gives his consent or unless the information sought is necessary to assure adjudication of any responsibility on the part of the State or unless medical interpretations of pre-employment and other examinations are requested by the personnel director. The attached bill is included as a part of the record in the report of this committee to the Legislature.

H. B. No. _____

By _____

A BILL
To Be Entitled

AN ACT amending Section 8 of Chapter 293, Acts of the 48th Legislature, Regular Session, 1943 (compiled as Article 4413a-14, Vernon's Texas Civil Statutes) to provide that there shall be within the office of State Auditor an Administrative Analysis Division, which shall be directed by an executive officer whose title shall be State Efficiency Expert; prescribing powers, duties and procedure for the State Efficiency Expert; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Section 8 of Chapter 293, Acts of the 48th Legislature, Regular Session, 1943 (compiled as Article 4413a-14, Vernon's Texas Civil Statutes) is amended to read as follows:

"Section 8. (a) There shall be within the office of the State Auditor an Administrative Analysis Division under the direction of an executive officer whose title shall be State Efficiency Expert. The State Efficiency Expert shall be appointed by and hold office at the pleasure of the State Auditor. He shall execute a bond to the State in the sum of Twenty Thousand Dollars (\$20,000) conditioned upon the faithful performance of his duties. The State Efficiency Expert shall perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities, and carry out and effect all purposes vested in him by the provisions of this section.

For the purpose of administration, the Efficiency Expert shall organize the Administrative Analysis Division, with the approval of the State Auditor,

in the manner that he deems necessary to conduct the work of the division. The division shall be limited to not more than twelve (12) assistants, deputies, investigators or examiners and such clerical assistants as may be necessary.

(b) The State Efficiency Expert shall examine thoroughly all departments of the State Government with special regard to their activities and the duplication of efforts between departments and the quality of service being rendered by subordinate employees in each of the several departments. The Efficiency Expert or his designee may enter any property of any department, board, institution or agency of the State and may examine any of its property and any of its books, papers, plans and records, investigate its service, the effectiveness of its policies, management, internal organization and operating procedure and the character, amount, quality and cost of the service rendered; may recommend to any such department, institution or agency, and assist it to effect improvements in organization, management, methods and procedure, and report his findings and recommendations to the State Auditor. Each officer and employee of any such department, institution, board or other agency shall assist the Efficiency Expert or his designees in carrying out the provisions of this section. This section shall not apply to the medical records of State employees unless the employee gives his consent or unless the information sought is necessary to assure adjudication of any responsibility on the part of the State or unless medical interpretations of pre-employment and other examinations are requested by the personnel director.

(c) Upon completing any examination and analysis of any department or agency, the Efficiency Expert shall furnish the head thereof with a

report of, among other things: (1) the efficiency of the subordinate employees; (2) the status and condition of all public funds in charge of such department; (3) the amount of duplication between work done by the departments so examined and other departments of the State Government; (4) the expense of operating the department; (5) breaches of trust and duty, if any, by an officer, department, institution, board, bureau, or other custodian or disbursement officer of public funds; (6) any suggested changes looking toward economy and reduction of number of clerical and other employees, and the elimination of duplication and inefficiency.

(d) The State Auditor shall file an annual report with the Governor; copies of such report shall be filed with the Speaker of the House, the Lieutenant Governor, and in the office of the Secretary of State. Such annual report shall contain, among other things, copies of, or the substance of reports made to the various departments, bureaus, institutions, and boards by the Efficiency Expert as well as a summary of changes made in the system of accounts and records thereof.

Reports shall also contain specific recommendations to the Legislature for the amendment of existing laws or the passage of new laws designed to improve the functioning of various departments, boards, bureaus, institutions, or agencies of State Government to the end that more efficient service may be rendered and the cost of government reduced.

All recommendations submitted by the State Auditor shall be confined to those matters properly coming within his jurisdiction, which is to see that the laws passed by the Legislature dealing with the expenditure of public moneys

are in all respects carefully observed, and that the attention of the Legislature is directed to all cases of violation of the law and to those instances where there is need for change of existing laws or the passage of new laws to secure the efficient spending of public funds. The State Auditor shall not include in his recommendations to the Legislature any recommendations as to the sources from which taxes shall be raised to meet the governmental expense.

All reports by the State Auditor shall call attention to any funds, which, in his opinion, have not been expended in accordance with law or appropriations by the Legislature; and shall make recommendations to the Legislature as to the manner or form of appropriations, which will avoid any such improper expenditure of money in the future.

Each of the auditings herein provided for shall be made and concluded as directed by the Legislative Audit Committee, and in accordance with the terms of this Act, but shall be concluded and reports thereof made not later than thirty (30) days before the convening of each Regular Session of the Legislature. The Committee shall direct the Auditor to make any special audit or investigation that in its judgment is proper or necessary to carry out the purpose of this Act, or to assist the Legislature in the proper discharge of its duties.

The Committee shall direct the printing or mimeographing of such number of any reports as it thinks necessary and proper.

All reports filed by the Secretary of State shall be open to public inspection."

Sec. 2. The importance of this legislation and the crowded condition of the calendar in both houses create an emergency and an imperative public

necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

HIGHWAYS AND ROADS

Starting on March 23, 1962, the Subcommittee on Highways had three extended meetings with the chief administrative officer, Mr. Greer, of the Texas Highway Department and his staff. This is our report of our observations and findings.

We discussed the various activities of the Department relative to the efficiency of its over-all operations. We found that the following factors have been most helpful to the Texas Highway Department in increasing the efficiency of its operations.

1. The very efficient accounting system of the Department itself.
2. Constant and continuous research to find new and more economical methods of design and construction of public highways.
3. The continuing audit by the State Auditor.
4. The detailed review by the State Budget Board each biennium.
5. The thorough study of the operation of the Texas Highway Department by the Texas Research League of 1957.
6. The Code of Ethics Bill passed by the Texas Legislature.
7. The cross-check system traditional with the Department where not less than three signatures are required on practically every document used in the handling of the work of the Department.

The above list could be expanded to many other items that have been most helpful in keeping the operations of the Department efficient and clean. Added to the above must be the most important factor of all--the Department has been free of political intrusion for 34 years. The employment of personnel,

promotions and discharges are all based upon the basic principles of meritorious work and conduct, and are highly decentralized into the superior officers of the workmen involved. Honesty and integrity cannot be legislated into people. The spirit of the organization, the pride in their work, the loyalty to their superiors, and the general organization morale have tended to create the over-all efficient and honest expenditure of approximately Three Hundred and Fifty Million Dollars per year. It is felt that each employee has sufficient pride in his work with the Department to where he will not knowingly permit a fellow worker to conduct himself in a manner that would bring discredit to the Department and to the employees who work for the Department.

We discussed the possibility of a modification of the existing statutes to relieve the Highway Department of the responsibility of advertising in daily and weekly newspapers the notice of receipt of bids for highway contracts, since this item entails considerable expense and is of questionable value. It was decided that, even though considerable expense was involved in this somewhat antiquated statute, it does constitute a type of insurance in order that all concerned might be officially notified of the time, the date, and the place where bids will be received on construction contracts. It was, therefore, decided that we would not recommend any change in this statute at this time, but the Committee feels that a more detailed study should be made of this antiquated statute so as to save tax money and at the same time give all prospective bidders notice of the road program.

We discussed at length the existing Texas statutes relative to special permits for the movement of oversize and overweight commodities over the

Texas Highway System. These old statutes direct that a charge of \$5 for each permit be made, regardless of the weight, the width, or the height of the commodity to be transported or the miles that it is to cover over the highway system. It is possible that some modernization of these old statutes is indicated in view of present conditions, although the Committee was not in a position to explore this matter to conclusion. The State Highway Engineer was directed to study the matter fully prior to the session of the Legislature in case some of the Committees of the Legislature might desire to consider possible modernization of these statutes.

The Committee studied thoroughly with the officials of the Department the situation relative to license plates on motor vehicles. It was found that by the issuance of a single plate per vehicle instead of the customary two plates, the State Highway Fund would profit by savings on materials of approximately Two Hundred Thousand Dollars per year. The Committee carefully considered the fact that the primary function of motor vehicle plates is to display the information necessary for fast and accurate identification of a motor vehicle under actual traffic conditions. Extensive research on this matter was made recently by the University of Illinois and it was concluded from this research that the advantages of two plates per vehicle, in police identification, location of parked cars, etc., far outweighed the saving in material cost, and this research recommended that all states continue the issuance of two plates per vehicle. The Committee concurred with this conclusion.

Consideration was given to the possibility of using aluminum rather than steel for plates. It was found that such a procedure would materially increase the cost of the plates and, consequently, such a change is not recommended.

We studied the possibility of a plastic plate rather than a steel plate. It was found that in order to manufacture a plastic plate that would withstand the wear and tear it would be necessary that reinforcing ribs be placed on the back of the plate to add stiffness. It was further found that the cost of materials for this type of plastic plate would be nearly three times the cost of the thin steel plates presently used. This procedure is not recommended.

The Committee discussed at length the possibility of using a semi-permanent plate that might last as long as five years, and renewing the registration each year with a sticker or a tab. The use of stickers and tabs would, no doubt, provide a fertile field for the misuse and theft of such validation instruments that might entail a loss far in excess of the annual saving that might be represented by such a procedure. It was also found that to go to such a validation procedure it would be desirable to change the registration law to remove the registration of vehicles from the county tax assessor-collectors and centralize the entire procedure in the Highway Department, in order that the renewals and validations could be processed by mail. It was the considered opinion of the Committee that such a change-over would not be recommended at the present time.

The Committee discussed at length the status of the Highway Fund that is derived from motor vehicle taxation and earmarked for construction, maintenance, and policing of highways under the Constitution. It was found that this

same Constitutional Amendment also provides that one-fourth of all such revenues shall go to the Public School System, and further provides that the county governments shall continue to share in these revenues, in accordance with procedures adopted in past years. It was the opinion of the Committee that, since the partial financing of the School System from these funds is a generally accepted procedure, and since the county governments seem to be well satisfied with the funds coming to them from this Constitutional Amendment, and since the Highway Department is accomplishing outstanding work with the funds made available to them from the Highway Fund in developing a Highway and Farm-to-Market Road System second to none in the nation, no change is recommended in the handling of these funds at the present time.

It was observed that the Texas Highway Department prepares and keeps up-to-date general highway maps of each and every county of the State of Texas. These highway maps show the houses, schools, churches, oil fields, etc., in addition to the road system and the condition of the road system. It was suggested that, since practically no additional expense would be involved, the Department give consideration to superimposing on these maps the water courses, reservoirs, etc., of the State in blue color, in order that these maps might be readily used in the continuing study of the water resources of this State. The Department immediately adopted this suggestion of the Subcommittee and future maps will be printed with this water information available thereon.

The Committee discussed with the Department's staff the handling of vegetation on the rights-of-way of Texas highways. We discussed the problem

of State-owned mowing machines versus rental of private mowing machines. It was our conclusion that the present practice of the Department of some State ownership of mowing machines and some private rental, based upon the availability of private machines, spot mowing, etc., whereby the State actually does about 40% of the mowing with its own machines, is probably the most economical procedure, since this is a seasonal type of operation. It was suggested that the Department continue its studies into the question of non-harmful weed killers for use around guard fence posts, sign posts, bridge ends, etc., in order to eliminate as much of the hand cutting of weeds as possible.

The Committee held a three hour hearing of complaining groups of Amarillo and San Antonio relative to the routing of highways in the areas involved. Insofar as the Amarillo routing of Interstate Highway 40 is concerned, we found that the matter has been contested by the groups offering objection in the various courts, including the Supreme Court, and the courts have held that the location made by the Department is not contrary to law. This is an Interstate and Defense Highway on which the Federal Government is paying 90% of the cost of right-of-way and construction. The Federal Government, as well as the county government and the city government, has approved the routing, and Three or Four Million Dollars have already been expended in the purchase of right-of-way under the authority of the Federal Program. The Committee was of the opinion that the question relative to the routing of Interstate Highway 40 is moot, due to the holding of the Supreme Court and the actual securing and clearing of the right-of-way, as well as the award of the first construction contract.

The hearing of the San Antonio group involved the possible routing and construction of an expressway at San Antonio, known as the North or U. S. 281 Expressway. The expressway was requested officially by the City of San Antonio and engineering authorized by the State Highway Commission. The State Highway Department submitted to the City of San Antonio two routes that would be acceptable to the Department. The City of San Antonio is expected to furnish 50% of the right-of-way cost. The City selected a route that crosses a portion of Brackenridge Park. Court action has been brought by opponents of this route and the question has just been ruled upon by the Court of Appeals. It probably will go to the Supreme Court for final decision. No moneys have yet been expended on this routing. Evidently, additional litigation will hold the final decisions in abeyance for some time to come. The evidence in this hearing indicates that the State recommended a preferred route which would save the State taxpayers approximately One Hundred Ninety-eight Thousand Dollars, although in order to do so the State Highway Department would have to go outside the city limits of San Antonio and condemn lands in other municipalities.

It is the opinion of the Committee that the Highway Department should take all reasonable measures to save State tax money wherever possible.

The House Committee on Saving Taxes
House of Representatives
Capitol Station
Austin, Texas

Gentlemen:

We, your subcommittee on Public Welfare and State Hospitals and Special Schools of the Committee on Saving Taxes, submit for your consideration and adoption the following recommendations to the Regular Session of the 58th Legislature:

1. That the Legislature request close co-operation of the Social Security Office with the Public Welfare Department or Law Enforcement Officer in its attempt to locate the addresses of fathers who are delinquent in child support payments.
2. That in cases of ADC to illegitimate children that the case workers be given full authority in order to keep a closer check to determine whether or not the recipient is conforming to regulations.
3. That if a recipient mother of an illegitimate child claims that she is physically unable to work, then the Texas Department of Public Welfare be authorized to require such recipient to take a physical examination and the medical report of the examination be subject to review of the Staff Medical Review Team; and if such recipient can work but refuses to do so, she should be taken off the roll.
4. That the Public Welfare Department make more periodic reviews in cases where ADC is going to recipients for illegitimate children and other ADC recipients.
5. That the Texas Department of Public Welfare request the Department of Health, Education, and Welfare to include in their plan material for authorization from the Federal Government to establish a Selective System of OAA case validation eliminating the requirement of an annual visit to every OAA recipient.
6. That the Department of Public Welfare use future savings from declining OAA case loads to raise maximum grants to permissible levels so that more assistance can be given to recipients in critical need, rather than using such funds for across-the-board increases.
7. That the Legislature memorialize Congress to make more specific eligibility requirements in present and future amendments to the Social Security Act pertaining to Public Assistance Programs (Aid to Dependent Children, Old Age Assistance, Aid to the Blind, and Aid to the Physically, Permanently, and Totally Disable) with special emphasis on the Aid to the Dependent Children program, and with special consideration and emphasis in the area of illegitimacy.
8. That the State Hospital Board stop using the Legion Branch for treatment of tubercular patients and to transfer the present patients to other existing facilities.

9. That the Board for Texas State Hospitals and Special Schools look into the feasibility of having the Texas Prison System manufacture the various chairs used by its patients.

Respectfully submitted,

Stewart

Stewart, Chairman

Alen Petty

Petty
